

1 FINANCE AND ADMINISTRATION CABINET

2 Department of Revenue

3 (Amendment)

4 103 KAR 28:150. Collection of sales tax on certain motor vehicle sales.

5 RELATES TO: KRS 139.010 139.200, 139.260, 139.470, 139.720

6 STATUTORY AUTHORITY: KRS 131.130, 139.710

7 NECESSITY, FUNCTION AND CONFORMITY: KRS 131.130 authorizes the Department
8 of Revenue to promulgate administrative regulations necessary for the administration and
9 enforcement of all tax laws in Kentucky. KRS 139.710 authorizes the department to administer
10 the provisions of KRS Chapter 139, relating to the assessment, collection, refunding, and
11 administration of taxes. This administrative regulation establishes requirements for the application
12 and reporting of the sales tax by sellers of motor vehicles to certain nonresidents pursuant to KRS
13 139.470(20)(b)~~[KRS 139.470(21)(b)]~~.

14 Section 1. Definition. "Motor vehicle" is defined by KRS 138.450(5).

15 Section 2. Reporting Requirements. A motor vehicle dealer making sales of motor vehicles
16 shall: (1) Maintain records pursuant to KRS 139.720~~[KRS 139.470(20)(b)]~~;

17 (2) Collect, report, and remit applicable sales tax on motor vehicle sales to nonresidents not
18 exempt under KRS 139.470(20)(b)~~[KRS 139.470(21)(b)]~~;

19 (3) Provide a completed copy of the "Certificate of Sales Tax Paid on the Purchase of a Motor
20 Vehicle" (Revenue Form 51A270) to each customer from whom Kentucky sales tax is due; and

21 (4) File a supplementary schedule entitled "Kentucky Sales Tax Motor Vehicle Sales

Supplementary Schedule" (Revenue Form 51A135) for each sales tax filing period that includes sales tax from sales of motor vehicle.

Section 3. Filing Process. The due date of the supplementary schedule shall be the same due date as the sales and use tax return for which the supplement is required. The supplementary schedule shall be filed separately from the sales and use tax return according to the instructions provided by the department on the form.

Section 4. Forms. The forms listed herein may be inspected, copied, or obtained, subject to applicable copyright law, at:

(1) The Kentucky Department of Revenue, 501 High Street, Frankfort, Kentucky 40620;

(2) A Kentucky Taxpayer Service Center, Monday through Friday, 8 a.m. to 4:30 p.m.; or

(3) The department website at <http://revenue.ky.gov>.

~~[Incorporation by Reference. (1) The following material is incorporated by reference:~~


~~—(a) "Certificate of Sales Tax Paid on the Purchase of a Motor Vehicle", Form 51A270, (August 2006); and~~

~~—(b) "Kentucky Sales Tax Motor Vehicle Sales Supplementary Schedule," Form 51A135, (July 2006).~~

~~—(2) This material may be inspected, copied or obtained, subject to applicable copyright law, at the Department of Revenue, 200 Fair Oaks Lane, Frankfort, Kentucky 40602, Monday through Friday, 8 a.m. to 5 p.m.]~~

103 KAR 28:150

APPROVED BY AGENCY:


DANIEL P. BORK, COMMISSIONER
Department of Revenue
Finance and Administration Cabinet

9/12/17
Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on October 24, 2017, at 1:00 p.m. in Room 11A, State Office Building, Frankfort KY 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through October 31, 2017. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Lisa Swiger, Tax Policy Research Consultant, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky, 40601, (502) 564-9526 (telephone), (502) 564-3875(fax), Lisa.Swiger@ky.gov(email).

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation No. 103 KAR 28:150

Contact Person: Lisa Swiger

Phone Number: (502) 782-5705

Email: Lisa.Swiger@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation is an amendment that updates regulatory language to conform to recent statutory language revisions.

(b) The necessity of this administrative regulation: The amendment is necessary to update outdated or incorrect regulatory language and information currently contained in the regulation.

(c) How this administrative regulation conforms to the content of the authorizing statutes: The proposed amendment updates regulatory language to conform with KRS 131.130 and KRS 131.131.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The proposed amendment updates regulatory language to address outdated or incorrect information currently contained in the regulation.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The current version of 103 KAR 28:150 contains repealed or incorrect statutory references, outdated and unnecessary forms dates and prior Department of Revenue address and contact information. The proposed amendment updates regulatory language to address these issues

(b) The necessity of the amendment to this administrative regulation: The amendment is necessary to update outdated or incorrect regulatory language and information currently contained in the regulation. Outdated or incorrect statutory references are removed and replaced with the correct statutory references, outdated and unnecessary forms dates are removed and DOR contact and address information is updated. Section 2(1) updates a reference to KRS 139.470(20)(b) to KRS 139.720 (statute related to records retention).

(c) How the amendment conforms to the content of the authorizing statutes: The proposed amendment updates regulatory language to conform with KRS 131.130 and KRS 131.131.

(d) How the amendment will assist in the effective administration of the statutes: The proposed amendment updates regulatory language to address outdated or incorrect information currently contained in the regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All individuals, businesses, organizations, or state and local governments that access the amended regulation.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No actions are necessary to comply with the amendment.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There is no cost to comply with the amended regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Anyone who accesses the amended regulation will benefit from the updated information contained therein.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There is no cost to implement the proposed amendment.

(b) On a continuing basis: There is no cost to implement the proposed amendment.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Current department budgetary funding.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There are no new fees or an increase in funding necessary to implement and enforce the proposed amendment.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No fees are directly or indirectly established or increased by the proposed amendment.

(9) TIERING: Is tiering applied? (Explain why or why not): No. Tiering is not applied as the proposed amended regulation will apply equally to those affected by it.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No. 103 KAR 28:150

Contact Person: Lisa Swiger

Phone Number: (502) 564-9526

Email: Lisa.Swiger@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Finance and Administration Cabinet, Department of Revenue.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 131.130 and KRS 131.131.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None. This amendment is only a language cleanup to replace outdated or incorrect language.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? No additional costs will be incurred in the first year of this regulation being in effect.

(d) How much will it cost to administer this program for subsequent years? No additional costs will be incurred in subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: